

# Commercial Update

A publication of the U.S. Department of Commerce, International Trade Administration, Central and Eastern Europe Business Information Center in cooperation with the U.S. Agency for International Development

August 2001

## Think Big, Test Small, and Act Fast: The Romanian Strategy for a Wired Society

by Cristina I. Marine, Central and Eastern Europe  
Business Information Center

The telecommunications sector represents a top priority for Romania's national economy. Romtelecom, established as a result of splitting national telecommunication services in the early 1990's, was partially privatized in 1998 and has become the sole provider of basic telecommunications services. Romtelecom monopoly will be eliminated at the end of 2003. Mobile telephony has been expanding every year, and the growing number of Internet service providers (ISPs) in the data transmission industry indicates sustained market growth. The World Bank's support for reform and privatization of the telecommunications sector in Romania, implementation of European Union projects and private investments have contributed to the improvement of basic telecom infrastructure and wireless capabilities, thus creating the conditions for future expansion. The telecommunications sector is likely to become more dynamic in 2003, when the Romtelecom monopoly has been eliminated.

In the past six months, the Ministry of Communications and Information Technology (MCTI) spearheaded efforts to develop legislation that will address a number of urgent matters related to e-commerce issues. Experts and regulators held debates on subjects such as electronic signature, consumer protection, fraud, and privacy. MCTI welcomed the interest shown by the private sector for the implementation of a number of pilot projects proposed last May. "We need the consultations with representatives of the IT industry because we want the laws that are promoted to regulate this field efficiently and coherently and meet its needs," said Dan Nica, Minister of Communications and Information Technology.

Romanian legislators passed a law on electronic signature, and are debating a bill on e-commerce. New legislative efforts target the prevention and punishment of electronic fraud. MCTI together with the parliament's Information, Communications, and Technology (ICT) Commission is working on a draft law covering Internet fraud that is not

addressed in the criminal code. Finally, the Romanian government has developed a package of tax incentives for information technology (IT) professionals. It is hoped that this will stem the emigration of software engineers and other IT professionals to higher paying jobs in the West.

At a business briefing organized in July by the U.S. Trade and Development Agency (TDA) in Washington, Minister Nica titled his presentation: "Think Big, Test Small, and Act Fast." Mr. Nica said that sustained efforts towards developing 'e-Romania' would create conditions for the new interconnected society and transform the current Internet economy.

To achieve this goal, the Romanian government has established the Information and Communications Technology (ICT) Task Force. ICT serves as the integrator and coordinator for all national telecommunications and information technology projects. The Task Force uses the input it receives from the public and private sectors, academics, non-governmental organizations, and community leaders in the development of a national strategy for information, communications, and technology.

Information and communications technology is an essential component of the concerted efforts to improve Romania's macroeconomic framework, by making visible progress in such areas as: enterprise and energy sector reform; financial sector reform; governance and institutional reform. In Washington, MCTI officials highlighted the priorities of Romania's ICT national strategy: modernization of public administration and of public services; improvement of the quality of life (health, environment, transportation); sustained development of the ICT sector; training the work force in the increasingly digital new economy; education; and technical assistance.

MCTI announced a number of projects to be implemented nationwide (the estimated cost of each project is noted in parenthesis): Internet access for high schools (\$50 million);

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# Eye on Southeast Europe

## Albania's Agricultural Outlook

*by Nicholas Wheeler, Central and Eastern Europe Business Information Center*

Off the shores of the Adriatic sea, the small nation of Albania continues its move forward towards increased economic growth. The calm sea breezes and mild, temperate weather provide a unique climate in which various agricultural products flourish. As a main component of Albania's economy, agriculture accounts for over half of the nation's gross domestic product (GDP) and Albanian leaders continue to underscore its importance in the overall transformation of the nation's economy.

### *Current Trends in Agriculture*

According to Myhidin Llagami, an agricultural statistician with the Albanian National Institute of Statistics, there are three basic trends to Albanian agriculture. First, there has been a collapse of the production of "industrial agricultural" products, i.e., wheat, cotton and rice. Under collectivized agriculture, most farms had been producing large quantities of wheat, with nearly 200,000 hectares of wheat being planted annually. However, production has dropped nearly every year with the latest estimates falling to around 92,000 hectares. In 1970, Albania's farmers planted 22,000 hectares of cotton but by 1994 no cotton was planted. Similarly, rice production fell from 3,000 hectares in 1990 to zero by 1998.

In June 2001, Agriculture Minister Lufter Xhuveli highlighted the second trend of Albanian agriculture by announcing an expected increase in the livestock sector. He also said that the agricultural trade balance would improve by more than \$50 million as another good farming year would make more production available for sale abroad. The substantial increase in the livestock production sector has affected the demand for forage crops, particularly alfalfa. Economists estimate that forage acreage accounts for more than thirty percent of all land used for agricultural purposes, and in 1998 forage production reached 3.8 million tons.

According to Llagami, the third trend in Albanian agriculture is a dramatic increase in vegetable production, specifically potatoes and beans. In 1998, the country harvested 145 tons of potatoes (increase of 81 percent from 1990) and 23,000 tons of dried beans, a 64 percent increase.

### *Problems Facing Continued Growth*

Although the agriculture sector has been recovering from the 1997 fallout, many analysts agree that future growth will

be difficult to sustain. Llazar Kora, the European Commission (EC) Delegation Program Manager, outlines five factors that may contribute to limit the growth of the agricultural sector. First, many Albanian farms are incredibly small and fragmented. Kora estimates that the average farm is 1.1 hectares in area, and fragmented into three or four separate parcels. Each of these parcels has to be worked by hand, thereby limiting the amount of commercial output. This fragmentation also causes a dramatic increase in production costs. Another problem resulting from the size of Albanian farms is the inability to ensure product standardization. Many companies import beef or other products from abroad because it is too difficult to find a consistent local product. Lack of communication among small Albanian farms is making it increasingly difficult for large scale producers to buy local products. In order to purchase products such as barley or alfalfa, large producers have to enter into contracts with literally hundreds of farmers. Finally, the lack of formal infrastructure, including roads and irrigation systems, also limits the amount of production that could be potentially exported.

### *Opportunities for the United States*

Despite the recent growth of Albanian's domestic agricultural output, limited opportunities for U.S. exports do exist. The greatest potential export is wheat. As stated earlier, Albania's wheat production has continued to fall since the end of collectivization, while domestic demand has seen an increase. However, wheat exports from the U.S. face severe competition with European producers. Recently, many Albanian firms have begun to produce sunflower seed oil, causing an increased demand for sunflowers. Presently, there is no domestic sunflower supply for these firms, and demand must be satisfied by imports.

One U.S. product that has obtained a market share in Albania is chicken leg quarters. A number of Albanian entrepreneurs report strong sales of U.S. chicken quarters, thanks in part to their reasonable price and high quality. A recent study of the Albanian poultry market found that U.S. poultry leg quarters tended to outsell other types of chicken, and confirmed that the United States held a competitive price advantage.

The United States Department of Agriculture also offers various export assistance programs to countries in Southeast Europe. Such programs include, the Commodity Credit Corporation (CCC) and the Export Enhancement Program (EEP). More information about these programs may be obtained from CEEBIC.

## Think Big (Continued from page 1)

virtual libraries (\$5.4 million), info-kiosks (\$40.5 million); multimedia centers for citizens (\$21.5 million); the governmental communications infrastructure (\$25 million/year – 4 years); e-government (\$100 million); e-government procurement (\$12 million); rural communications (\$13 million); development of radio communications and television networks (\$76 million); implementation of radio network for data transmission using point to multi-point technology (\$300 million).

MCTT's projects and plans are now at different implementation stages. A business-to-business (B2B) system for customs operations will become operational this year. The program allows on-line electronic filing and customs declaration processing. The new customs system will be launched and tested at one border customs station and will then be implemented nation wide. The project's secure site allows traders to transmit customs clearance data via an Internet link-up. It also calculates automatically all due payments, including tariffs and commissions, which can be paid by promissory note on a credit account. The system's comprehensive databases will list around 15 million prices from all over the world. The methodological norms to implement the program and the development of an end-user authentication mechanism, such as electronic signature or smart card, are meant to provide and maintain a secure environment.

A new site [www.no-cash.ro](http://www.no-cash.ro) concentrates in one place the banking system offer for electronic banking transactions and payments in Romania. Zero Cash, the company that launched the site, says it is meant to promote higher transparency in the banking system, encourage bank competition, and contribute to setting up correct prices for bank services. *No-cash.ro* is also a promotion and consultancy center that provides relevant information encouraging the 1.3 million card holders in Romania to make banking transactions electronically. Officials with Europay International for South Eastern Europe consider that Romania has the greatest growth potential in the region and the market will reach about 2 million Master Card and Maestro cards by the end of 2003.

Meeting with IT companies in the U.S., Romanian officials urged the U.S. partners and investors to participate in the privatization process within the ICT sector, to finance some of the ICT projects, and to become strategic partners in the dynamic IT industry. Compaq, Microsoft, Cisco Systems, Oracle, IBM, Hewlett Packard, and Qualcomm are already in the Romanian market expanding their operations. Increased participation of US firms in the IT sector and in the on-going reform of Romanian radio-telecommunications will help. It will increase competition among communication and information services providers, further transparency of regulatory implementation, and reinforce the need for continued legislative reforms associated with e-commerce and e-government as part of the economic growth in Romania.

## Timisoara – An FDI Magnet in Southwestern Romania

by Cristina I. Marine, Central and Eastern Europe Business Information Center

Situated 356 miles west of Bucharest, Timisoara is the largest economic, cultural, and scientific center of Romania's West Development Region, and the third largest city of Romania with over 340,000 people. The city is home to 25.8 percent of the urban population of the Banat region, generates 30 percent of the region's industrial production and carries out 35 percent of its commercial activity. Timisoara and the Timis County have a diverse population that represents more than 30 ethnic groups.

The industrial sector of Timisoara contributes over three percent to Romania's industrial production with an emphasis on industries such as: chemical; machine building; food processing; electronics; electric; information technology; rubber and plastics; civil and industrial engineering; wood processing; and tourism. Moreover, Timisoara and the Timis County lie in the middle of one of the best agricultural regions in Romania. Experts agree that improved management of the existing resources could turn Timisoara into a major supplier of industrial food products for both the domestic market and export. Located close to Romania's borders with Hungary and Yugoslavia, Timisoara is centrally located near four major rivers the Danube, Cris, Mures, and the Tisa. It is also located near some of the region's major highway systems that connect it to all the major cities in Central and Eastern Europe. It also allows for easy access to the Black Sea and

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### *Central and Eastern European Commercial Update*

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## Central and Eastern Europe Commercial Opportunities

### Bulgaria

MMC Inc., a heating and air conditioning and environmental engineering company, established in 1990 is seeking to develop long term relationship with a U.S. supplier and/or investor. The total investment sought is approximately \$200,000. MMC has 22 employees and last year's turnover was approximately \$855,000. In 2000, the company began working on a project for building a nationwide network of heating systems that use solar energy. The equipment will be installed in commercial and residential buildings.

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*Submitted by Georgi Peev, CEEBIC Trade Specialist*

### Romania

RECOGNOS ([www.recognos.ro](http://www.recognos.ro)) This U.S.- Romanian joint venture company is a business solutions provider specialized in software design and development with high Internet content. Recognos provides comprehensive custom software development services, such as: system analysis, software development and testing, documentation, and system support and maintenance. The company has a wide client base in the Balkans, the Scandinavian countries and the U.S. and is open to new strategic partnerships. Please contact [CEEBIC@ita.doc.gov](mailto:CEEBIC@ita.doc.gov) for additional information.

IPACRI Romania ([www.ipacri.ro](http://www.ipacri.ro)) This growing IT company develops software programs for banking, public administration, and services. The company is seeking U.S. partners to expand its technological base and to facilitate technology acquisition. IPACRI's strategy calls for strong partnerships that would allow the company access to test beds. Principals of the company are interested in contacting U.S. firms and will offer them support on European and Middle Eastern markets. Please contact [CEEBIC@ita.doc.gov](mailto:CEEBIC@ita.doc.gov) for additional information.

QCT CONNECT ([www.qct.ro](http://www.qct.ro)) is an IT company with offices in Timisoara and Bucharest. QCT targets distinctive markets such as local and central government, public services and utilities, telecommunications, transportation, and tourism. QCT CONNECT specializes in business engineering, analysis and modeling, business infrastructure, software development, application integration and system administration; implementation and project management. QCT is seeking a U.S. partner with expertise in solutions frameworks, consulting (core services, project management methodologies, best practices), and enterprise engines. Please contact [CEEBIC@ita.doc.gov](mailto:CEEBIC@ita.doc.gov) for additional information.

LTHD SRL ([www.lthd.ro](http://www.lthd.ro)) –This graphic printing company established in 1995 is the unique distributor/agent of 3M and Lanier in Romania. LTHD uses specials reflective graphics for 24-hour advertising, perforated marking film for windows, as well as a wide choice of promotional applications for billboards and banners. With two offices, in Bucharest and Timisoara, LTHD employs 38 people full-time and is seeking a U.S. partner to expand operations in Central and Eastern Europe. Please contact [CEEBIC@ita.doc.gov](mailto:CEEBIC@ita.doc.gov) for further details.

SINTEROM – manufactures devices for engine starting and ignition, sintered parts for the automotive industry, tungsten, and molybdenum products, etc. It exports over 20 percent of yearly production. The company seeks U.S. partner/investor to expand current production capacity. For further details, please contact [CEEBIC@ita.doc.gov](mailto:CEEBIC@ita.doc.gov).

Pensiunea KATHARSIS - Belis – is an agro-tourism resort project, 40 miles west of Cluj, at an altitude of 3,300 ft., 100 miles east of the western border. A family run company, "Katharsis" is a bed-and-meals mini-hotel open year round, suitable for vacations, retreats, camps, etc. The owners are looking for partner/investor to expand operations and will consider joint-venture arrangements with a U.S. tour operator. Please contact [CEEBIC@ita.doc.gov](mailto:CEEBIC@ita.doc.gov) for further details.

SURDUC Lake Development Project – This is an excellent opportunity for US investors with interests and experience in resort / entertainment / spa facilities. SURDUC has a great location - 40 miles north of Timisoara, close to Romania's western and southwestern borders - that makes it functional all year round. Local developer has detailed plans and authorizations and seeks a U.S. partner to co-finance the project. Please contact [CEEBIC@ita.doc.gov](mailto:CEEBIC@ita.doc.gov) for additional information.

## Timisoara (Continued from page 3)

access to the markets of the Middle East.

The growing economy and favorable business environment, along with an excellent geographic position, have made Timisoara an attractive target for foreign direct investment (FDI). With over \$350 million in FDI, Timisoara is home to large U.S. companies such as Coca-Cola, Procter & Gampel, McDonald's, and Solectron as well as a number of European firms such as Alcatel, Shell, and Continental. Foreign operators agree that the main advantages of doing business in Timisoara are high efficiency and quality labor, as well as help and support from the local administration which has established and nurtures good business relations with the private sector.

Timisoara and the Timis County promote projects in chemical production; agriculture, information technology, tourism, transportation, avionics, infrastructure, services, and the environment. Local initiatives such as the Public Private Partnership and the ten-year program for the economic development of the region have contributed to the gradual improvement of the business environment in Timisoara, where it takes only two weeks for a new private company to register and establish operations. A new communications system for the entire county and the new Internet kiosks are two important developments that help coordinate public and private sources and ensure community participation in the long-term regional development program. The universities adjust their curricula to address the needs of the emerging market economy and participate in local projects such as the Technological Park of Timisoara.

For additional information on trade and investment leads in Timisoara and the Timis County, please visit CEEBICnet. Other website on Timisorara include [www.dnttm.ro/~cityhall](http://www.dnttm.ro/~cityhall); [www.utt.ro](http://www.utt.ro); [www.timisoara.com](http://www.timisoara.com); [www.cciat.ro](http://www.cciat.ro); and [www.sorostm.ro](http://www.sorostm.ro)

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This weekly e-mail service summarizes the latest commercial and economic conditions in Southeast Europe. The newsletter includes business opportunities and tenders.

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## An Ancient Roman City in Western Romania Becomes a Modern IT Hub

by Cristina I. Marine, Central and Eastern Europe  
Business Information Center

Cluj-Napoca, located in northwestern Romania approximately 200 miles northwest of Bucharest, is one of the most important industrial, academic, and cultural centers in Romania. Considered the historic capital of Transylvania, the city stands on the site of the ancient Dacian settlement Napoca. The County of Cluj occupies an area of over 2,500 sq mi and offers astounding sights of beautiful hills, wide plains and generous river valleys. Machinery, metal products, chemicals, textiles are well represented in Cluj; building materials and glass are manufactured in Turda; iron and coal mines operate throughout the county; and hydroelectric plants are important sources of energy.

Cluj County is one of the six counties of the North West Development Region (NWDR) that lies at the crossroads of north-south and east-west European and national routes. Three airports for domestic flights complement the operations of the international airport in Cluj. The population of the northwest region represents 12.7 percent of Romania's population, with 54.8 percent living in towns and 45.2 percent in rural areas. According to the 1992 census, alongside with Romanians, 20.64 percent of the people in the Cluj County are of Hungarian origin.

Cluj-Napoca and the county are located close to Romania's borders with Hungary and the Ukraine and the geographic location allows local development projects to draw from complementary resources. The abundance of diversified natural resources (woods, minerals, gas) and a strong agricultural sector have facilitated sustained development of metallurgy, chemical industry, glass and china, construction materials, textiles, the food industry, and paper and pulp. As a result of joint efforts of the public and private sectors, Cluj has reduced the bureaucratic hurdles that inhibited dynamic private sector development and significantly improved the local business and investment environment.

The local administration, together with specialized bodies like the North West Regional Development Agency, is promoting policies and implementing projects aimed at enhancing the region's competitive advantage and coordinating local initiatives with the national priorities for European Union accession. Local officials and representatives of the business community in Cluj and the county have expressed their firm commitment to support projects for the development and modernization of the region's physical infrastructure (country roads, water supply system, gas distribution, waste management), as well as new industries such as the information technology,

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## **An Accelerated Rhythm of Reform Is a Challenge Romania Will Have to Meet**

*by Cristina Marine, Central and Eastern Europe Business Information Center*

The National Bank of Romania (BNR) and the Ministry of Finance (MF) have recently launched a program aimed at improving the current economic situation characterized by a fragile fiscal position and relatively large external financing needs. The four-year anti-inflation program focuses on curbing the country's chronic inflation to around 10 percent by 2004-2005 from about 35 percent at present.

BNR Governor Mugur Isarescu and Finance Minister Mihai Tanasescu pledged that the government would reduce public spending, speed up privatization and restructuring of state enterprises, and increase financial discipline. The fiscal policy will allow for a budget deficit of 3.0 percent of gross domestic products (GDP) in 2002 from 3.5 percent forecast for 2001. Privatization revenues and receipts from recouping non-performing state assets will be applied towards continued public debt reduction. Reduction of social security taxes starting in 2002 and elimination of extra-budgetary funds will lead to a moderate relaxation of taxation. Further reduction of the public sector workforce and a review of tax legislation are also envisaged. The fiscal policy will introduce tighter financial discipline, by cutting payment arrears by 30 percent in 2002 compared to 2000. An accelerated privatization pace and restructuring of loss-making companies are considered crucial for the success of reforms. Simplification of foreign exchange regulations and improved legislation to allow creditors to recoup debts faster are also part of the program.

The National Bank of Romania will maintain the hard currency levels, but it will not seek to boost them by purchases from the local market, and it will use the exchange rate as an implicit anchor for disinflation. BNR officials hope to see an appreciation of the local currency, although this would largely depend on an increase in productivity and on reducing the fiscal deficit. "The surprise element included in the anti-inflation program will be perseverance," stated the BNR Governor at a press conference in Bucharest, adding that the gradual but persistent process will make the social costs bearable and will avoid problems for the banking system.<sup>(1)</sup>

Romania's package to slash inflation comes at a time when multinational financing institutions are cautiously acknowledging the country's progress in implementing successful reform measures.

The European Bank for Reconstruction and Development (EBRD) will co-finance the third stage of public utilities development program worth EUR 380 million together with the Government of Romania and the local administrations.

EBRD also intends to participate in other projects targeting heating services, local water supply, gas distribution and urban transportation.

The World Bank's Country Assistance Strategy (CAS) for Romania in 2001-2004 states that the new government's economic strategy "lays the basis for a pragmatic approach to reforming the economy and raising living standards by improving the quality of government services and creating an attractive business environment."<sup>2</sup> By demonstrating sustained commitment to accelerated reform, Romania may be able to secure external financing that will contribute to the country's current economic recovery.

If accelerated reforms continue, the World Bank will adopt a high-case lending scenario that will increase Bank commitments to \$995 million through 2004. Adjustment lending of up to \$550 million during FY02-04 would support "private sector development and institutional and governance reforms, and would complement sector reforms under individual investment loans."<sup>3</sup> The maximum financing script also provides for non-lending services in the form of at least four studies per year, grants, technical assistance, and World Bank Institute training in essential areas of the reform process. The International Finance Corporation (IFC), the Bank's private sector arm, will focus on four key areas: municipal infrastructure, financing for post-privatization restructuring; support for capital markets and small and medium-sized enterprises (SMEs); and selected investments in the forestry sector.

A macroeconomic environment characterized by lower inflation and sustainable growth will constitute one of the triggers for the high-case lending scenario. Of equal importance will be progress in key policy areas, such as: (1) conclusion of PSAL I privatizations; (2) privatization of a number of large state owned enterprises; (3) consensus on a plan for reducing energy arrears; (4) a firm agreement on the method and timetable for the privatization for the Romanian Commercial Bank (BCR) and the Savings Bank (CEC); (5) improvements in the financial sector legal and supervisory framework; (6) agreement on the process for developing an anti-corruption strategy; and (7) approval of agreed social assistance legislation.<sup>4</sup>

By implementing its high-case scenario, the World Bank will target poverty alleviation, growth through private sector development and governance and institutional reform. In the low-case scenario, World Bank lending would be reduced to \$60 million during FY02-04, and there would be only one or two Bank operations per year.

The World Bank Board endorsed the CAS for Romania and also approved a \$50 million Social Sector Development Loan. The Social Sector Development Program will support the European Union accession process by modernizing the labor market and will also strengthen social safety nets and micro business development. The loan will be implemented

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## Cluj (Continued from page 5)

and projects for the development of industrial sites. Local businesses seek U.S. partners in order to establish joint ventures and increase the foreign investment flow in the region. Export opportunities for U.S. companies exist in information technology, minerals, chemicals, plastics, leather items, electronics equipment, automotive, energy, tourism, medical and optical equipment. The rapidly developing high-tech sector includes over 420 software developers, Internet providers, and Web designers. One of these companies, Recognos Romania, has recently opened the Cluj County's "gate" on the Internet at [www.cjgate.com](http://www.cjgate.com). A virtual town hall on the Internet will give 24-hour access to community issues.

More than 70 percent of the region's agricultural land is private and farmers coordinate their efforts with public programs in order to encourage foreign and domestic investments in agriculture. The Association of Romanian Farmers to be established in Cluj will become the main negotiating entity in cereal crops transactions and will conduct lobbying activities promoting the interests of local farmers. The main crops of the region are wheat, rye, maize, barley, potatoes, sugar beet, and vegetables; and swine, cattle, sheep and poultry are bred on medium and small size farms.

The people of Cluj and the Cluj County are an asset whose work ethic and professionalism have encouraged foreign investors and multinational companies to invest more than \$180 million in the region. A highly qualified workforce trained at the local universities and high schools add value to the growing private sector that has so far attracted companies from Germany, Austria, France, Italy, Canada, Hungary, and the U.S.

For additional information on current projects, please visit CEEBICnet. Also, explore Cluj Napoca at the following Web addresses: [www.clujnapoca.ro](http://www.clujnapoca.ro); [www.sal-cnc.me.wisc.edu/~ilies/webcluj/cluj.html](http://www.sal-cnc.me.wisc.edu/~ilies/webcluj/cluj.html); [www.clujonline.com](http://www.clujonline.com); [www.cjnet.ro](http://www.cjnet.ro); [www.cjgate.com](http://www.cjgate.com); [www.arxia.com/florian/cluj](http://www.arxia.com/florian/cluj); and [www.ccicj.ro](http://www.ccicj.ro)

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## Calendar of Events



### September

**9/11 – 9/14** Trade Show in Kosovo, "Gilani 2001," Pristina, Kosovo

Contact: Jennifer Gothard, CEEBIC trade specialist, tel. (202) 482-2645  
fax: (202) 482-3898, or e-mail [ceebic@ita.doc.gov](mailto:ceebic@ita.doc.gov)

### October

**10/15 – 10/17** Southeast Europe Economic Forum 2001, Sofia, Bulgaria (see below)

Contact: Albena Gerova, Embassy of Republic of Bulgaria, tel: (202) 387-7969 or go to [www.biforum.org](http://www.biforum.org) or [www.seeurope.net](http://www.seeurope.net)

### Southeast Europe Economic Forum 2001

The theme of the conference is: Infrastructure - the Key to Growth of Security and Welfare. The organizers will set up a business match-making center and an exhibition area. U.S. companies with a long-term interest in the Bulgarian and Southeast Europe markets should consider attending the conference to learn more about business opportunities and to make business contacts with important Bulgarian and regional government and business leaders.

**For a more complete list of events, go to CEEBICnet, [www.mac.doc.gov/eebic/ceebic.html](http://www.mac.doc.gov/eebic/ceebic.html)**

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## Rhythm of Reform (Continued from page 6)

between October 2001 - December 2005 and will be repayable in 17 years, including a 4-year grace period.

In late June, the International Monetary Fund (IMF) mission that visited Romania stated that substantial progress was made toward reaching an agreement on macroeconomic policies that could be the basis for a Stand-by arrangement in 2001-2002. Significant and sustained progress in fiscal management and structural reform (especially privatizations) will consolidate confidence in the performance of the Romanian economy, ensure support of the WB Group and the IMF, and increase Romania's ability to attract the necessary foreign direct investments. Therefore, an accelerated rhythm of reform is a challenge Romania will have to meet.

<sup>1</sup> Multiple articles in the Romanian press

<sup>2</sup> Country Assistance Strategy of the World Bank Group for Romania, May 22, 2001, pg. ii, Report No. 22180-RO

<sup>3</sup> Ibid, pp iii

<sup>3</sup> Ibid, pp iii-iv.

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